

[CHAPTER 39]

AN ACT

April 3, 1941
[H. R. 3546]
[Public Law 27]

Agricultural Adjust-
ment Act of 1938,
amendments.
52 Stat. 62.
7 U. S. C. §§ 1351-
1356.

To amend the Agricultural Adjustment Act of 1938, as amended, for the purpose of regulating interstate and foreign commerce in peanuts, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title III of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting after part V of subtitle B thereof the following new part:

“PART VI—MARKETING QUOTAS—PEANUTS

“LEGISLATIVE FINDINGS

“SEC. 357. The production, marketing, and processing of peanuts and peanut products employs a large number of persons and is of national interest. The movement of peanuts from producer to consumer is preponderantly in interstate and foreign commerce, and, owing to causes beyond their control, the farmers producing such commodity and the persons engaged in the marketing and processing thereof are unable to regulate effectively the orderly marketing of the commodity. As the quantity of peanuts marketed in the channels of interstate and foreign commerce increases above the quantity of peanuts needed for cleaning and shelling, the prices at which all peanuts are marketed are depressed to low levels. These low prices tend to cause the quantity of peanuts available for marketing in later years to be less than normal, which in turn tends to cause relatively high prices. This fluctuation of prices and marketings of peanuts creates an unstable and chaotic condition in the marketing of peanuts for cleaning and shelling and for crushing for oil in the channels of interstate and foreign commerce. Since these unstable and chaotic conditions have existed for a period of years and are likely, without proper regulation, to continue to exist, it is imperative that the marketing of peanuts for cleaning and shelling and for crushing for oil in interstate and foreign commerce be regulated in order to protect producers, handlers, processors, and consumers.

“MARKETING QUOTAS

“SEC. 358. (a) Between July 1 and December 1 of each calendar year the Secretary shall proclaim the amount of the national marketing quota for peanuts for the crop produced in the next succeeding calendar year in terms of the total quantity of peanuts which will make available for marketing a supply of peanuts from the crop with respect to which the quota is proclaimed equal to the average quantity of peanuts harvested for nuts during the five years immediately preceding the year in which such quota is proclaimed, adjusted for current trends and prospective demand conditions, and the quota so proclaimed shall be in effect with respect to such crop. The national marketing quota for peanuts for any year shall be converted to a national acreage allotment by dividing such quota by the normal yield per acre of peanuts for the United States determined by the Secretary on the basis of the average yield per acre of peanuts in the five years preceding the year in which the quota is proclaimed, with such adjustments as may be found necessary to correct for trends in yields and for abnormal conditions of production affecting yields in such five years: *Provided*, That the national marketing quota established for the crop produced in the calendar year 1941 shall be a quantity of peanuts sufficient to provide a national acreage allotment of not less than one million six hundred and ten thousand acres, and

Annual proclama-
tion.

National acreage al-
lotment.

Proviso.
Minimum.

that the national marketing quota established for any subsequent year shall be quantity of peanuts sufficient to provide a national acreage allotment of not less than 95 per centum of that established for the crop produced in the calendar year 1941.

“(b) Not later than December 15 of each calendar year the Secretary shall conduct a referendum of farmers engaged in the production of peanuts in the calendar year in which the referendum is held to determine whether such farmers are in favor of or opposed to marketing quotas with respect to the crops of peanuts produced in the three calendar years immediately following the year in which the referendum is held, except that, if as many as two-thirds of the farmers voting in any referendum vote in favor of marketing quotas, no referendum shall be held with respect to quotas for the second and third years of the period. The Secretary shall proclaim the results of the referendum within thirty days after the date on which it is held, and, if more than one-third of the farmers voting in the referendum vote against marketing quotas, the Secretary also shall proclaim that marketing quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held. Notwithstanding any other provisions of this section, the Secretary shall proclaim a national marketing quota with respect to the crop of peanuts produced in the calendar year 1941 equal to the minimum quota provided for said year in subsection (a) hereof and shall provide for the holding of a referendum on such quota within thirty days after the date upon which this Act becomes effective, and the State and farm acreage allotments established under the 1941 agricultural conservation program shall be the State and farm acreage allotments for the 1941 crop of peanuts.

Referendum.

“(c) The national acreage allotment shall be apportioned among States on the basis of the average acreage of peanuts harvested for nuts in the five years preceding the year in which the national allotment is determined, with adjustments for trends, abnormal conditions of production, and the State peanut-acreage allotment for the crop immediately preceding the crop for which the allotment hereunder is established: *Provided*, That the allotment established for any State for any year subsequent to 1941 shall be not less than 95 per centum of the allotment established for such State for the crop produced in the calendar year 1941: *Provided further*, That for the second or third year of any three-year period in which marketing quotas are in effect the acreage allotment for each State for such year shall be increased above or decreased below the allotment for the State for the immediately preceding year by the same percentage as the national marketing quota for such year is increased above or decreased below the national marketing quota for the preceding year.

State acreage allotment.

Provisos.

“(d) The Secretary shall provide for apportionment of the State acreage allotment for any State through local committees among farms on which peanuts were grown in any of the three years immediately preceding the year for which such allotment is determined. Such apportionment shall be made on the basis of the tillable acreage available for the production of peanuts and the past acreage of peanuts on the farm, taking into consideration the peanut-acreage allotments established for the farm under previous agricultural adjustment and conservation programs. Any acreage of peanuts harvested in excess of the allotted acreage for any farm for any year shall not be considered in the establishment of the allotment for the farm until the third year following the year in which such excess acreage is harvested and the total increases made in farm-acreage allotments in any year based

Farm-acreage allotment.

Excess harvest; distribution of increases.

Proviso. on such excess acreage shall not exceed 2 per centum of the national acreage allotment for such year: *Provided*, That in the distribution of such increases based on such excess acreage the total allotments established for new farms shall not be less than 50 per centum of such increases. The amount of the marketing quota for each farm shall be the actual production of the farm-acreage allotment, and no peanuts shall be marketed under the quota for any farm other than peanuts actually produced on the farm.

Farm marketing quota.

"MARKETING PENALTIES

Marketing in excess of quota.

Penalty.

Deposit of collections.

False identifications, etc.

Penalty.

Release from payment of penalty.
Delivery of excess peanuts.

"SEC. 359. (a) The marketing of any peanuts in excess of the marketing quota for the farm on which such peanuts are produced, or the marketing of peanuts from any farm for which no acreage allotment was determined, shall be subject to a penalty of 3 cents per pound, except as provided in subsection (b) of this section. Such penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer, or, if the peanuts are marketed by the producer through an agent, the penalty shall be paid by such agent, and such person or agent may deduct an amount equivalent to the penalty from the price paid to the producer. The Secretary may require collection of the penalty upon a portion of each lot of peanuts marketed from the farm equal to the proportion which the acreage of peanuts in excess of the farm-acreage allotment is of the total acreage of peanuts on the farm. If the person required to collect the penalty fails to collect such penalty, such person and all persons entitled to share in the peanuts marketed from the farm or the proceeds thereof shall be jointly and severally liable for the amount of the penalty. All funds collected pursuant to this section shall be deposited in a special deposit account with the Treasurer of the United States and such amounts as are determined, in accordance with regulations prescribed by the Secretary, to be penalties incurred shall be transferred to the general fund of the Treasury of the United States. Amounts collected in excess of determined penalties shall be paid to such producers as the Secretary determines, in accordance with regulations prescribed by him, bore the burden of the payment of the amount collected. Such special account shall be administered by the Secretary and the basis for, the amount of, and the producer entitled to receive a payment from such account, when determined in accordance with regulations prescribed by the Secretary, shall be final and conclusive. If, in the course of marketing, any peanuts produced on one farm are falsely identified by a representation that such peanuts were produced on another farm, or, if there is a failure to make a report of the disposition of peanuts available for marketing from any farm, each person participating in the false identification of the peanuts or failing to make a report of the disposition of such peanuts as required by regulations issued by the Secretary shall be subject to a penalty of \$25 for each acre, or fraction thereof, of peanuts harvested in excess of the farm-acreage allotment for the farm on which such peanuts were produced and such penalty shall be in addition to any other penalty due hereunder.

"(b) Payment of the penalty of 3 cents per pound upon the marketing of peanuts as provided in subsection (a) above will not be required if such excess peanuts are delivered to and marketed through an agency or agencies designated each year by the Secretary. Any peanuts received under this subsection by such agency shall be sold by such agency for crushing for oil under a sales agreement approved by the Secretary, or for cleaning and shelling at prices not less than those established under any peanut-diversion or peanut-loan program operated by the Secretary. For all peanuts so

delivered under this subsection, producers shall be paid for the portion of the lot constituting excess peanuts the market value thereof for crushing for oil as of the date of such delivery, less the estimated cost of storing, handling, and selling such peanuts. Any person who acquires peanuts for crushing for oil under the provisions of this subsection, and who uses or disposes of such peanuts for purposes other than for crushing into oil, shall pay a penalty of 3 cents per pound upon the peanuts so used or disposed of and shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$1,000 or imprisoned for not more than one year, or both. Operations under this subsection shall be carried on under regulations prescribed by the Secretary, and the operations of any agency designated to receive and market peanuts may be separate from or combined with operations of other agencies.

Penalty for unauthorized use.

“(c) The provisions of this part shall not apply to peanuts produced on any farm on which the acreage harvested for nuts is one acre or less.

One-acre harvests.

“(d) The word ‘peanuts’ wherever used in this Act means peanuts which are picked and threshed by mechanical means, whether such peanuts are picked and threshed before or after marketing by the producer.

“Peanuts” defined.

“(e) If, in any referendum carried out pursuant to subsection (b) of section 358, marketing quotas with respect to peanuts are opposed by more than one-third of the farmers voting in such referendum, no peanut-diversion program or peanut loan shall be in effect with respect to the crop produced in the calendar year immediately following that in which the referendum is held. If quotas are approved by not less than two-thirds of the farmers voting in such referendum, either a peanut-diversion program or a peanut-loan program, or both, shall be in effect with respect to the crops of peanuts produced in the three calendar years immediately following the year in which the referendum is held. The Commodity Credit Corporation is directed to make available loans upon peanuts during any marketing year in which marketing quotas are in effect. Such loans shall be made only to producers, farmer cooperatives, and farmer associations, only on the marketing quota for each farm, at rates not less than 50 per centum and not more than 75 per centum of the parity price of peanuts as of the beginning of the marketing year (which parity price shall be on the basis of the formula used in determining the parity price of peanuts as published by the Bureau of Agricultural Economics in *The Agricultural Situation*, volume 25, number 1, January 1941), and the peanuts shall be the sole security for such loans. If a referendum is held in 1941 with respect to the crop produced in 1941, the provisions of this subsection shall apply as though such referendum had been held in the calendar year 1940.

Diversion and loan programs.

Commodity Credit Corporation loans.

“(f) There is hereby authorized to be appropriated, each fiscal year beginning with the fiscal year 1941, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary for the purposes set forth in this part and for the expenses of administering this part.

Annual appropriation authorized.

“(g) The provisions of this section shall not apply to nor interfere with the inauguration or the operation of any program approved by the Secretary pursuant to authority contained in existing law designed to establish new uses for peanuts and peanut products or expand markets for peanuts and peanut products.”

New uses and markets.

SEC. 2. Paragraph (1) (B) of subsection (b) of section 301 of subtitle A of title III of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting immediately following the word “cotton” the words “or peanuts”.

Definitions.
“Actual production.”
52 Stat. 39.
7 U. S. C. § 1301 (b)
(1) (B).

52 Stat. 40; 54 Stat.
727.
7 U. S. C. § 1301 (b)
(6).

"Market."

Publication and re-
view of quotas
52 Stat. 62.
7 U. S. C. §§ 1361.

Adjustment of
quotas.
52 Stat. 64.
7 U. S. C. § 1371 (a),
(b).

Reports and records.
52 Stat. 65.
7 U. S. C. § 1373 (a).

Proof of acreage, etc.
52 Stat. 65.
7 U. S. C. § 1373 (b).

Farm measurement
and planting.
52 Stat. 65.
7 U. S. C. § 1374.

Regulations.
52 Stat. 66.
7 U. S. C. § 1375.

SEC. 3. Paragraph (6) of subsection (b) of section 301 of subtitle A of title III of the Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new paragraph:

"(C) 'Market', in the case of peanuts, means to dispose of peanuts, including farmers' stock peanuts, shelled peanuts, cleaned peanuts, or peanuts in processed form, by voluntary or involuntary sale, barter, or exchange, or by gift inter vivos."

SEC. 4. Section 361 of subtitle C of title III of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting after the comma following the word "cotton" the word "peanuts" and a comma.

SEC. 5. Subsections (a) and (b) of section 371 of subtitle C of title III of the Agricultural Adjustment Act of 1938, as amended, are amended by inserting after the comma following the word "rice" the word "peanuts" and a comma.

SEC. 6. Subsection (a) of section 373 of subtitle C of title III of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting after the comma following the word "rice" wherever it appears in the first sentence thereof the word "peanuts" and a comma, by striking out the word "and" following the word "producers" in such first sentence; and by striking out the period at the end of such first sentence and inserting in lieu thereof a comma and the following: "all brokers and dealers in peanuts, all agents marketing peanuts for producers, or acquiring peanuts for buyers and dealers, and all peanut growers' cooperative associations, all persons engaged in the business of cleaning, shelling, crushing, and salting of peanuts and the manufacture of peanut products, and all persons owning or operating peanut-picking or peanut-threshing machines."

SEC. 7. Subsection (b) of section 373 of subtitle C of title III of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting after the comma following the word "rice" the word "peanuts" and a comma.

SEC. 8. Section 374 of subtitle C of title III of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting after the comma following the word "cotton" the word "peanuts" and a comma.

SEC. 9. Subsection (a) of section 375 of subtitle C of title III of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting after the comma following the word "rice" the word "peanuts" and a comma.

Approved, April 3, 1941.

[CHAPTER 40]

AN ACT

Making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1942, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1942, namely:

EXECUTIVE OFFICE OF THE PRESIDENT

COMPENSATION OF THE PRESIDENT AND VICE PRESIDENT

For compensation of the President of the United States, \$75,000.

For compensation of the Vice President of the United States, \$15,000.

April 5, 1941
[H. R. 2788]
[Public Law 28]

Independent Offices
Appropriation Act,
1942.